

Montana Teachers' Retirement System (TRS)



**On-Line
Benefit
Estimator
Tutorial**

The on-line benefit estimator is designed for TRS members who are employed on a full-time basis, being reported at 1.0 FTE.

If your employment is part-time or hourly, please access the TRS web site to print the 'Request for An Estimate of Benefits' form.



Print, and mail the properly completed form to TRS. An 'Estimate of Benefits' will be mailed to your home mailing address.

The estimate of benefits provided is not to be construed as a firm commitment on an amount to be paid. When projections are made, many factors may affect the final retirement benefit, including future changes in law and/or administrative rules.

BENEFICIARY DESIGNATION

The beneficiary information presented on the 'Estimate of Benefits' is based upon the current beneficiary designation on file with TRS.

If you have named one individual as your 'Primary' beneficiary, the benefit estimator will populate the beneficiary designation on file. In this example, Jane Smith has named John Smith as her primary beneficiary.



Beneficiary Name	Date of Birth	Relationship
Smith, John	07/26/1949	Spouse

BENEFICIARY DESIGNATION, Cont.

If you have named multiple 'Primary' beneficiaries, the benefit estimator will present each beneficiary designation on file.

You will have the option to select one beneficiary for the calculation of your monthly benefit. In this example, Jane Smith has named three 'Primary' beneficiaries.

Beneficiary Name	Date of Birth	Relationship
Smith, Toby	10/14/1975	Son
Smith, Amber	06/28/1981	Daughter
Smith, Andrew	06/30/2007	Grandson

If you need to update the beneficiary information on file with TRS, please submit an updated 'Beneficiary Designation For Active Members' form, available on the TRS web site.

BENEFIT CALCULATOR

To begin the 'Benefit Calculator,' populate the anticipated 'Retirement Date,' 'Future Salary Increase Percent,' 'Contract Salary for Fiscal Year XXXX' of your anticipated retirement, and a 'Termination Pay Amount,' if applicable. Review the beneficiary information presented and click on the 'Calculate Benefit Estimate' button at the bottom of the screen.

Retirement Date (mm/yyyy)	<input type="text" value="7"/> / <input type="text" value="2011"/>
Future Salary Increase Percent	<input type="text" value="0.00"/>
Contract Salary for Fiscal Year 2011	<input type="text" value="0.00"/>
Termination Pay Amount	<input type="text" value="5,000.00"/>

Use This Beneficiary	Beneficiary Name	Date of Birth	Relationship
<input checked="" type="radio"/>	John Smith	07/26/1949	Spouse

[Help?](#)

BENEFIT CALCULATOR, CONT.

The 'Benefit Estimator' will present the factors used to calculate your monthly retirement benefit: 'Avg. Final Compensation' (the average of your three highest consecutive fiscal years of wages), and 'Creditable Service Years,' populated from the TRS database.

Member	Jane Smith	Date of Birth	03/05/1952
Beneficiary	John Smith	Beneficiary DOB	07/26/1949
Retirement Date	07/01/2011	Beneficiary is Spouse	<input checked="" type="checkbox"/>
Retirement Type	Regular	Creditable Service Years	30.00
Avg. Final Compensation	56,965.17	1 for 5 Service	.00
2008-09	54,196.20	Purchasable Service	
2009-10	57,699.30	Cost to Purchase	.00
2010-11	59,000.00	Termination Pay	5,000.00
		Excess Earnings *	
Notes			

BENEFIT CALCULATOR, CONT.

Each 'Retirement Benefit Allowance' is presented, indicating your gross monthly benefit amount. For a full explanation of each 'Retirement Benefit Allowance,' please refer to the 'Retirement Education' tutorial, available on the TRS website.

Retirement Benefit Allowances		Option 1	Option 2	Option 3
Normal	Payable for the member's life only	2,442.99	2,380.49	2,373.55
A	Joint and Full to Beneficiary	2,199.67	2,143.39	2,137.14
B	Join and One Half to Beneficiary	2,314.98	2,255.75	2,249.18
C	Joint and Two Thirds to Beneficiary	2,275.16	2,216.95	2,210.49
10	Year Certain & Life	2,406.83	2,345.26	2,338.42
20	Year Certain & Life	2,289.81	2,231.23	2,224.73

The amounts presented here under Options 1, 2, and 3 represent a gross monthly benefit amount, based on an example of \$5,000.00 in 'Termination Pay.' For a full explanation of 'Termination Pay,' please refer to the 'Retirement Termination Pay' tutorial, available on the TRS website.

BENEFIT CALCULATOR, CONT.

You have two options for increasing your monthly retirement benefit by including termination pay received at the time of your termination and retirement.

Termination Pay Options		
	Option 1	Option 2
Termination Pay Employee Cost	5,280.00	357.50
Termination Pay Employer Cost	5,520.00	473.50
Increase Above 'Normal' Benefit	69.44	6.94

The lower portion of the 'Estimate of Benefits' relates to the employee and employer cost calculation, to fund an increase in your monthly retirement benefit.

In this example, electing Option 1 results in an increase in your monthly retirement benefit in the amount of \$69.44. Electing Option 2 would result in an increase of \$6.94 per month.

BENEFIT CALCULATOR, CONT.

If you elect Option 1 for the use of your termination pay, you may be required to pay a portion of the 'Employee' contribution (out-of-pocket). In this example, the employer will remit the tax-deferred amount of the termination pay to TRS. Jane Smith will have an out-of-pocket expense in the amount of \$662.50 payable to TRS by personal check. For a full explanation of the tax options available on termination pay, refer to the 'Members' Retirement Termination Pay Training' tutorial, available on the TRS website.

Termination Pay Out-of-Pocket Calculation for Option 1		An out-of-pocket expense represents the additional contributions that may be due to fund the increase in your monthly benefit. The actual amount will be calculated by your employer.
Termination Pay Amount	5,000.00	
Less FICA/Medicare (7.65%)	382.50	
Net Amount (Tax-Deferred)	4,617.50	
Contributions Due TRS	5,280.00	
Out-Of-Pocket Expense	662.50	

TAX CALCULATION

Your TRS monthly retirement benefit is considered taxable income. The 'Benefit Estimator' allows you to project the 'Net' amount of your monthly benefit, through the use of an 'Estimated Tax Withholding' calculator.

You may use the calculator for a 'What-If' tax scenario.

	Withhold Taxes?	Marital Status	Withholding Allowances	Gross Benefit	
Federal Income Tax	<input checked="" type="radio"/> Yes <input type="radio"/> No	Married ▼	1	Federal Tax	2,199.67
MT State Income Tax	<input checked="" type="radio"/> Yes <input type="radio"/> No	Married ▼	1	Montana State Tax	120.01
				Net Check	86.00
					1,993.66

Recalculate Taxes

Home

[Back to Previous Screen](#)

[Print Screen](#)

[Help?](#)

TRS recommends you contact a qualified tax professional for advice about your tax liability.

Thank you for taking the time to view the 'Benefit Estimator' tutorial. The information provided in this tutorial is for educational purposes only. It is intended to provide basic information about the services and benefits provided by the Montana Teachers' Retirement System under the laws and rules applicable as of the date of production. It is not intended to provide accurate, detailed calculations of any specific member's account or benefits.

1500 East Sixth Avenue
PO Box 200139
Helena, MT 59620-0139



1-866-600-4045 (Toll Free)
406-444-3134